PSJ3 Exhibit 536

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Message

From: Deloso, Michael (US - Atlanta) [mdeloso@deloitte.com]

Sent: 4/17/2008 5:38:47 PM

To: Justus, Shirlene [Shirlene.Justus@cardinal.com]

Subject: FW: NACDS matls on anti-diversion

Attachments: Anti-d Talking points for NACDS.doc; NACDS.ppt

Can you print out for me? Thanks. I'll pick it up on my way to the comm/training guys. . .

Mike

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From: Hartman, Mark [mailto:Mark.Hartman@cardinalhealth.com]

Sent: Thursday, April 17, 2008 11:18 AM

To: Deloso, Michael (US - Atlanta)

Subject: FW: NACDS matls on anti-diversion

From: LaNouette, Jill

Sent: Thursday, April 17, 2008 9:44 AM **To:** Lawrence, Steve; Williams, Jay

Cc: Hartman, Mark; Falk, Steve; Fortier, Brett **Subject:** NACDS matls on anti-diversion

Redacted - Privileged

- Jill

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NACDS Conference

Talking points - Anti-diversion

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April 17, 2008

Background

- Cardinal Health continues to take steps to fight the diversion of controlled substances, an issue that has
 received considerable attention and is one of the top issues facing all of us in the pharmaceutical industry.
 Over the past several months, we and others in the supply chain have been taking a close look at our
 practices at preventing diversion and determining if we are doing everything we can to stop it.
- In late 2007, the Drug Enforcement Administration (DEA) suspended our license to handle controlled substances at three of our 24 distribution centers: Auburn, Washington; Lakeland, Florida; and Swedesboro, New Jersey. We activated our business continuity plans and have continued to provide controlled substances to customers from other facilities in our network.
- In February we self-imposed a restriction on our sales of controlled substances to retail independent customers from our Stafford, Texas, facility after our reviews revealed areas that required tighter controls.
- Also in February we introduced an enhanced Suspicious Order Monitoring (SOM) program that flags and holds
 orders from retail independent pharmacies that warrant further inspection. It is based on electronic monitoring of
 orders and an improved education program to help our sales force "Know Your Customer." We are working
 around the clock to refine this program before it is expanded into other classes of trade.
- We are in regular communication with the DEA and are aligned with the DEA in ensuring that controlled substances are only getting to those with a legitimate prescription. We do not have a date when we expect to have our DEA licenses reissued and we cannot expect to until we and the DEA have complete confidence that we have the right controls in place, consistently, across the network.

Talking Points regarding Retail Chains

- We have an obligation to expand our SOM program to other classes of trade, including retail
 chains. We are beginning to have discussions with retail chains customers to determine how to do
 this in a collaborative way that minimizes the disruption to the legitimate need for medicines, while
 protecting the integrity of the pharmaceutical supply chain.
- We know that many retail chains have anti-diversion processes in place. Our goal is to
 understand our customers' processes, determine how and whether we can build on the processes
 in place at the chains, and otherwise work together to ensure that our Suspicious Order Monitoring
 program for retail chains does not interrupt legitimate business.
- We need to figure out with our customers 1) how to implement "Know Your Customer" training
 with our retail chain sales team when our representatives do not visit every chain store, and 2)
 how to set an appropriate electronic monitoring program. Through discussions with retail chain
 customers, we will get input and advice to help us meet our obligations.
- The expected timeline for retail chains is as follows:
 - April May: Discussions and meetings with several retail chain customers
 - o June: Pilot Suspicious Order Monitoring Program for retail chains
 - June-Aug: Communicate and educate our internal teams (sales, operations, QRA) and our customers on the Suspicious Order Monitoring Program for retail chains
 - July-August: Rollout Suspicious Order Monitoring program for retail chains

The issue

- Diversion is serious and affects everyone in the pharmaceutical industry.
- DEA licenses were suspended at three Cardinal Health facilities. We self-imposed a restriction at a fourth facility relating to retail independent sales.
- Having regular communication with DEA. Both Cardinal Health and DEA need complete confidence the right controls are in place across the network before suspensions will be lifted.
- Introduced Suspicious Order Monitoring program for retail independent customers and will expand to all classes of trade.
 - Electronic monitoring
 - Enhanced "Know Your Customers" education



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What it means to retail chains?

- We need to collaborate on a Suspicious Order Monitoring program that minimizes disruption to legitimate needs for retail chain customers
- Goal is to understand and support our customers' processes and business while meeting our obligations
- Timeline:
 - April-May: Discussions with retail chains
 - June: Pilot Suspicious Order Monitoring program
 - July-August: Communicate and roll out across retail chains



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What you can do to help

- Help us understand your anti-diversion processes
- Let us know how we may build on your processes
- Work with us in determining how Cardinal Health can meet its obligation to implement Suspicious Order Monitoring without disrupting the legitimate supply chain
- Join us in fighting diversion and keeping pharmaceuticals out of the wrong hands



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